Integrating contested aspirations, processes and policy: development as hanging in, stepping up and stepping out.

Andrew Dorward

School of Oriental and African Studies

University of London

Correspondence address:

Centre for Environment, Development and Policy

Wye Campus

Wye

Ashford,

Kent

TN25 5AH

UK

Tel: +44 (0)20 759 42679

Fax: +44 (0)1233 812138

Email: Andrew.Dorward@soas.ac.uk

Acknowledgements:

Helpful comments from Dirk Bezemer, Simon Maxwell, Colin Poulton and Michael Stockbridge on an earlier draft of this paper are gratefully acknowledged. The views expressed here and any remaining errors are the author's.

Integrating contested aspirations, processes and policy: development as hanging in, stepping up and stepping out.

Keywords: development policy, disagreement, paradigms, livelihoods, poverty, economic growth

Abstract

There are continuing disagreements regarding aspirations and processes in development and appropriate policies for promoting these. This paper proposes a dialogue around a conceptualisation of development as involving three complementary processes: 'hanging in', 'stepping up' and 'stepping out'. It argues that these can describe different types of structural change operating at different scales and affecting national and sub-national societies and economies, different sectors within these economies, and people's evolving livelihoods. The simplicity of this conceptualisation and its strong theoretical, empirical and experiential content make it a powerful framework both for inter-disciplinary, inter-sectoral, multi-scale analysis of dynamic development processes, and for structuring dialogue about contested aspirations, assumptions, modalities and constraints among development analysts and stakeholders with different interests and paradigms.

1 Introduction

This paper proposes a conceptualisation of development that addresses failings within and disagreements between current development theories, analyses and practices The paper is arranged in 5 sections. The next section outlines agreements and disagreements between the dominant neo-liberal and alternative paradigms. This demonstrates the need for an alternative framework for

conceptualising development. Subsequent sections describe such a framework with discussion of its strengths and application.

2 Agreements and Disagreements in Development Analysis and Practice

Kanbur, 2001, discusses the nature of disagreements in development policy and sets out, with appropriate caveats, a broad but helpful dichotomy between paradigms, termed respectively Group A or 'Finance Ministry' and Group B or 'Civil Society' perspectives. While the nature and visibility of the clashes between the more extreme proponents of these neo-liberal and alternative positions have moderated since he wrote his paper, the basic analysis remains valid and provides a useful starting point for this paper.

Kanbur identifies a number of points of agreement between the Group A and Group B perspectives of development. These include an increasing convergence in recognising the importance of health and education services, of economic growth, of externalities and public goods, of institutions, and of more nuanced understandings of the complementary roles of state and markets. There are, however, also considerable disagreements regarding how the importance of these issues should be reflected in development policy. Kanbur notes that major differences arise regarding interpretations of (a) empirical evidence on changes in welfare and poverty (he explains this in terms of 'aggregation' problems), (b) time horizons, (c) basic market structures, and (d) 'pro-' and 'anti-' growth positions. He argues that these differences can lead to polarised negotiations where protagonists retreat to less nuanced, simplistic statements both of their own and of their protagonists' positions. Kanbur therefore calls for dialogue around more nuanced messages while also recognising the need for relatively simple messages and policy prescriptions.

There is considerable merit in Kanbur's arguments, and along with various intellectual and policy shifts by major donors and IFIs, a growing appreciation of these issues has no doubt contributed to the lowering of the temperature in these debates. Stark disagreements, however, remain. This

raises two questions. First, are there fundamental differences in underlying understandings of the goals of, constraints to, and processes for development? Second, how can dialogue around relatively simple messages be constructed when development itself and the differences in perspectives of development as described by Kanbur are nuanced and complex?

To address these questions we first propose that underlying the disagreements set out by Kanbur are a number of 'civil society' challenges to neo-liberal views concerning constraints to growth, processes of global and local change, interpretations of history, and goals of development [1].

A good entry point for description of these challenges to the neo-liberal paradigm is the question of sustainability. There have been long standing concerns about the limits to growth, concerns which have switched from predictions of limited mineral and energy stocks in the 1970s by the Club of Rome to worries about biodiversity and climate change (although the impact of growth in China and India on commodity demand and prices is again raising questions about mineral and food supplies). It is increasingly recognised that the globalisation of economic growth and consumer life styles places unsustainable demands on environmental and natural resources. The neo-liberal response is to argue that technical and institutional innovation have addressed similar problems in the past and will do so again (for example Sachs, 2007). Counter arguments, however, contend that both the scale and the externalities of these problems are too large, consumer and multinational interests too entrenched, and the costs of environmental change too heavily borne by poorer tropical economies for these processes to be anything but too little too late. A radical rethink is needed of the nature and role of growth in development, and indeed of the nature and goals of development itself.

A similar set of arguments exist around globalisation, with civil society concerns that globalisation opens up poorer countries and poorer people in those countries to exploitation by transnational corporations (TNCs) and developed countries, and leads both to exploitation of natural resources in return for prices far below the true opportunity cost of those resources and to destruction of local

industry as a result of dumping at prices below cost of production. The neo-liberal response is to argue that trade and liberalised markets allow specialisation and gains from competitive efficiency that more than outweigh losses to particular producer groups and that trade has been a key driver of growth in the past. Globalisation is both inevitable and desirable, given the spread of both ICT and consumerism. The counter arguments are that gains from specialisation depend upon competition and balanced power and property rights, whereas poor developing country markets are characterised by market failures, non-competitive markets and concentrations of market power among TNCs and elites they work with, and that historically developing countries have generally gained from trade only if also pursuing selective protectionist policies. Many aspects of globalisation are neither inevitable nor desirable, and need to be contained.

There are parallels, similarities and some symmetry in these two sets of arguments, with each perspective being built on selective learning and generalisations from different instances of success and failure, and different understandings of the processes and effects of change. Neo-liberal proponents see their own views as based on consistent use of theory and evidence regarding major historical processes of economic growth and poverty reduction, and civil society views as ignoring these processes in favour of inconsistent theories whose implementation has never yielded much lasting gain. Civil society proponents, on the other hand, see neo-liberal views as based on inconsistent use of theory and evidence regarding major historical processes of unsustainable economic growth and material benefit for the few and destitution for the majority. They see their own views, on the other hand, as explaining the failures of neo-liberal policies and as being supported by local success stories whose wider uptake has been limited by neo-liberal domination of the political economy. It is easy then to see how misunderstanding and confrontation emerge: each side sees the other as failing to recognise (a) the damning evidence of the inadequacy of its arguments and (b) the major difficulties which preclude scaling up or out of current success claims.

A concrete example of these differences in views arose at the Second European Forum on Sustainable Rural Development held in Berlin in June 2007 (http://www.ruralforum.info/en/home)[2]. Representatives of both northern and southern civil society organisations were invited to this donor organised forum, with a separate civil society meeting prior to the main forum. The first day of the forum included a civil society statement to the conference and a presentation on the then forthcoming 2008 World Development Report (WDR) on Agriculture (World Bank, 2007).

The WDR presentation started from an analytical framework based on a classification of developing countries (and of regions within countries) into (a) poor agriculture based economies, (b) transforming economies, and (c) urbanised economies, with differing natures of and developmental roles for agriculture in each (World Bank, 2007) . The three 'worlds' are characterised in terms of high importance of agricultural GDP and mainly rural poverty; low importance of agricultural GDP but continuing mainly rural poverty; and low importance of agricultural GDP and lower importance of rural as compared with urban poverty. Historical analysis of these variables shows an evolutionary path by successful developers from (a) through (b) to (c) which has involved increasing intensification and commercialisation of agriculture (initially smallholder based), driving and sustaining non-farm growth. It is agued that similar processes need to continue and extend to today's poor agricultural based economies, with a 'productivity revolution' in these countries. This should be achieved by removal of agricultural trade distortions and protection in both developed and developing countries; making local product, factor and service markets work better; promotion and empowerment of producer organisations; greater quantity and quality of investment in public goods; and very selective, market smart and temporary use of subsidies and food staple protection in some agriculture based economies. Within this, new thinking and investment is needed in both GMO and conventional research to promote development of and smallholder access to pro-poor technologies, with new investments in carbon trading and climate change adaptation and in more efficient biofuel systems which compete less with agriculture and are more environmentally

beneficial[3]. The focus of policies to achieve change differs between different types of economy, but the basic nature of these policies is mostly constant, and all are underpinned by the fundamentals of market development, good governance and sound macro-economic management.

The civil society view of the world is very different and its response to the WDR analysis was that it is overly simplistic, with gross reductionism and a conflation (and selective analysis) of historical states and processes with desirable states and processes, reflecting neo-imperialist experience and interests. There was both anger and alarm in informal discussions and in the prior formal civil society statement. The latter set out concerns about on-going marginalisation of the interests and rights of the rural poor through globalisation and privatisation, with a call for genuine new thinking, aid and policies that 'do not harm those living their lives autonomously as peasant food producers'. It then critiqued 'neo-liberal simplifications' and their reliance on industrialised agriculture, privatised resources, and world markets for feeding people. The call for an African Green Revolution is, it was argued, doubly discredited, both by past failures in implementation in Africa and by past pro-rich (not pro-poor) outcomes where it has been implemented in Asia. The statement set out an alternative vision calling for complex sets of sovereign trade and investment policies which support a rights based approach to land, food sovereignty, small family farms, local production systems and markets, and sustainable ecological and multi-functional agriculture using local resources and local processing in vibrant rural based national economies. The civil society statement concluded with a demand for participation and representation by rural people rather than continued pursuit of donor driven agendas.

This statement attacks many of the weaknesses of 'inclusive liberalism' (Porter and Craig, 2004). While some aspects of the statement were tacitly accepted or ignored by the dominant donor community (for example its criticism of double standards in trade policy), other aspects were criticised in informal rather than formal discussion. These concerned its overlooking of the pro-poor benefits of the Asian Green revolution through its raising of wages and lowering of real food

prices; of the challenges of burgeoning population and falling land holdings and soil fertility in Africa; of the limited scope for organic soil fertility in addressing these problems; of the burgeoning food demands of Africa's growing cities; of increasingly younger populations' urban consumerist aspirations and alienation from agriculture; and of the economic benefits of concentrations of economic activities in large cities. The call for an alternative vision is, it was argued, itself doubly discredited: by past failures in attempts to implement similar approaches, and by past failures of apparently successful implementation to yield large scale and sustained benefits. Concerns were also aired about the legitimacy of farmer organisations which represent emerging smallholders but claim to speak for the large majority of poor rural people (who are net buyers of food) while ignoring poor urban people's interests. Inconsistencies were also noted in an apparently romantic view of peasant agriculture, ignoring both its limited ability to support higher incomes with improved standards of living on small holdings and mass movements out of peasant agriculture in all developed economies.

There are clear parallels between these neo-liberal and civil society positions in Berlin and the wider neo-liberal and alternative positions outlined earlier, and there is considerable validity in many aspects of each side's critiques of the other's historical analysis and future vision – but if both critiques have validity then neither vision is valid, and we are faced with a serious impasse.

Three related ways of moving forward are proposed; first a more nuanced analysis of historical successes and failures in development (see for example Adelman and Morris, 1997; Gaur, 1997; Khan, 2004; and, with regard to green revolution and agricultural transformation, Dorward *et al.*, 2004); second recognition of the sustainable development paradox (that development leads to rising wages and labour costs which then inhibit labour intensive repairs and recycling and encourage the replacement of human energy by mechanical or electrical energy) and of the state coordination development dilemma (that market failures and the need for government coordination are greatest in the poorest countries where government capacity to provide such coordination is most limited,

Dorward, 2006a); and third, a framework that promotes dialogue between and integration of neo-liberal and alternative development paradigms. The remainder of the paper describes such a framework before discussing how it may be help in development dialogues.

3 Conceptualising development as hanging in, stepping up and stepping out

Neo-liberal and alternative conceptualisations of development share a concern with people's production and consumption activities and assets, through the micro economic foundations of neoclassical economics on the one hand and a concern with capabilities and multiple livelihood activities and assets on the other. They also share a recognition that development involves decreasing livelihood vulnerability, increasing livelihood productivity (and incomes), and changes in livelihood activities (with increasing importance of non-farm activities). Although there may be disagreements about the processes by which these changes do and should occur, this provides the starting point for a conceptualisation of peoples' livelihood aspirations as first to maintain and protect their current wealth and welfare, and second to advance their wealth and welfare. This second aspiration may be achieved by expanding their existing activities and/or by moving into new activities. Consideration of these aspirations leads to the identification of three broad types of livelihood strategy or transformation: 'hanging in' strategies, which are concerned to maintain and protect current levels of wealth and welfare in the face of threats of stresses and shocks; 'stepping up' strategies, which involve investments in assets to expand the scale or productivity of existing assets and activities; and 'stepping out' strategies, with accumulation of assets to allow investments or switches into new activities and assets (see Dorward *et al.*, in press).

This simple categorisation of livelihood strategies or potential transformations provides the foundations for a framework that can be developed to assist thinking and communication about multi-sectoral, multi-dimensional, multi-level and dynamic processes of livelihood change, poverty reduction, and development. We now describe this framework, which is set out in figure 1, and then

consider why and how the conceptualisation of development as hanging in, stepping up and stepping out may be a useful tool in promoting dialogue around a common framework rather than negotiation from entrenched and differing understandings of development.

The starting point of this conceptualisation is the three livelihood strategies or transformations described above, shown on the left of figure 1. This suggests that people's livelihood strategies and transformations can be mapped out in terms of differing combinations of the three strategies, varying with their personal circumstances and with their perceptions of the opportunities and constraints they face, and hence with their assets and environment (which are discussed further below).

INSERT FIGURE 1 FULL PAGE AROUND HERE (SEE END OF MANUSCRIPT)

Wood, 2003, discusses the overriding importance of ensuring survival for "the vast majority of poor people who face chronic rather than stochastic insecurity" (Wood, 2003, p455). This leads first to tensions and trade-offs of social protection against social investment and of ensuring reproduction against expanding production, and then to the need to capture these tensions in more dynamic descriptions of livelihoods as 'improving, coping or declining', with 'snakes and ladders' (Room, 2000). The 'hanging in, stepping up and stepping out' classification of livelihood strategies and transformations[4] puts these dynamics and Wood's 'Faustian bargain' at centre stage in development analysis and policy.

While the characterisation of '*hanging in*' as an important livelihood strategy or transformation emphasises the importance of survival and coping strategies, the distinction between advancement by '*stepping up*' and by '*stepping out*' is a core feature of the dynamic relationship between livelihood change and wider processes of development. Increasing labour specialisation was recognised by Adam Smith as a core feature of economic growth, while Boserup, 1965, charted historical patterns of development in terms of interactions between population growth and technical

and institutional change on the one hand and declining shares of income from increasingly intensive food production on the other, with shifts into new non agricultural activities. This combination of stepping up and stepping out constantly repeats itself (for example in different crafts, manufacturing and services) and both intensification and diversification are inevitable and necessary parts of economic growth and rising standards of living. There are important questions, however, about how this can and should be reflected in diversity *between* livelihoods (with increasing specialisation and trade) or in diversity *within* livelihoods. There are also questions about interactions between processes of livelihood change (accumulation, differentiation, specialisation, diversification, commercialisation and trade) and about relationships between those who are stepping up and out and those who are left hanging in. These questions are often an important point of difference between neo-liberal and alternative development paradigms, and they connect to two further aspects of conceptualising development as hanging in, stepping up and stepping out: the importance of capitals or assets and of multi-scale analysis.

Capitals or assets are indicated on the right hand side of figure 1. Five major types of capital needed for the proper functioning of economies, societies and livelihoods are identified, drawing on livelihoods thinking and modifications to the 'asset pentagon' (see for example Carney, 2002) and different branches of economic thinking. Neo-classical economics and conventional development and growth theories have tended to highlight the importance of technical change (involving development of knowledge and skills under human capital and, for example, infrastructure and equipment under physical capital) together with accumulation of human and physical capital (with investments in education, health, infrastructure and productive physical capital). Natural capital has long been recognised as having many distinctive attributes, but environmental concerns in local, national and global systems give it particular importance as a supplier of a wide range of services essential to life and to social and economic activity. Access to finance through financial services

and markets, and financial deepening are an important area of interaction between financial and social (institutional) capital.

Different branches of institutional economics also stress the importance of the development of institutions structuring the ways that people behave in their interactions with each other – not only in the 'governance' of people's wider legal and political relations but also in the detail of formal and informal relationships, agreements and structures, as these affect ownership, production and exchange of economic resources, goods and services. These arrangements include a wide variety of market and other types of exchange, with 'non standard' (in neo-classical market terms) types of relationship often being particularly important in developing economies where markets and organisations are weak. Institutions are included in figure 1 under the broad heading 'social capital', but this term is also often applied to more specific abilities to relate with other individuals and groups in society – included in figure 1 in the term 'relational capital'. Political systems and the establishment and implementation of social and economic policies affecting growth and distribution are also important elements in social capital.

There are two aspects of *multi-scale analysis* which are implicit in and integral to the discussion above of hanging in, stepping up and stepping up 'livelihood' strategies and transformations. First, these transformations are happening at different levels of aggregation. So far in this paper these concepts have been implicitly introduced in terms of household or individual livelihoods, but they can also be applied at larger 'society' scales of analysis – local communities, municipalities, sub-national provinces, nations, regional blocks and even to the global economy. The concept of 'livelihood' ('the capabilities, assets, and activities required for a means of living', Conway and Chambers, 1992) is also relevant to these larger units of economic and social organisation, and these also hang in, step up and step out in the processes of economic, social, political and other dimensions of development (or stagnation). Consideration of 'livelihood' transformations for these larger scale units of analysis is helpful as it highlights how larger units face similar security and

growth trade-offs and similar questions about the processes of change discussed above (diversification, specialisation, etc) and about the relationships between those undergoing different transformations[5].

This leads onto the second aspect of multi-scale analysis mentioned above, the importance of interactions between different scales of analysis. Livelihoods and livelihood transformations of larger units are made up of the aggregation and interaction of smaller scale livelihoods and livelihood transformations, while the latter depend upon larger scale conditions and changes. Thus household opportunities for stepping up and out, for example, depend upon larger scale changes in supply and demand – which in turn depend upon external changes (in the case of tradables) or upon wider processes of internal change (in the case of non-tradables). This leads us to consider the importance of structural transformations.

Structural transformations are primarily concerned with changes in the nature, relative scale and interactions between the different forms of capital and different livelihood transformations (on the right and left hand sides of figure 1, respectively). Structural transformations are an integral part of both the neo-liberal and alternative perspectives of development, but they differ with regard to the nature of the transformations they consider important, and in particular with regard to the extent that they are concerned with changes in relative importance or scale of different activities, sectors and capitals on the one hand and changes in fundamental relations between them on the other. [6]

Processes of accumulation, differentiation, specialisation, commercialisation, population growth, migration and trade leading to changes in the sectoral, spatial and distributional balance in the economy are the bread and butter of neo-classical economics. These are associated with changes in economic activity (with stepping out) and with changes in relative abundance, prices and uses of land, labour and capital. There is, however, often something of a contradiction in relating these changes to institutional change. The nature and effects of institutions governing property rights or financial markets, for example, are widely studied and recognised, and indeed form an important

part of the neo-liberal emphasis on governance. Similarly structural changes in market connectedness are fundamental to commercialisation, specialisation and trade processes. Yet there is less emphasis on the ways that these changes may fundamentally affect economic organisation and outcomes. This is particularly evident in the use and interpretation of cross country econometric studies. These have tended to lump widely differing countries together and draw lessons from them about the importance of particular policies for growth with very limited analysis of possible structural differences in relationships [7]. Khan, 2004 provides a valuable example of how such analysis may hide differences in relationship between countries with different structures, and it is the analysis not of broad patterns of change and difference across rich and poor countries that may be important but critical exceptions to those broad patterns[8]. Unfortunately the WDR analysis of policy lessons from differences between the three worlds falls into precisely this trap failing to recognise that "Without first producing the transition, transplanting ... institutions and policies cannot produce economic development in natural states." (North et al, 2008, p14-15).

Alternative perspectives on development put more weight on other aspects of structural transformations in development. These vary, but typically are concerned with political and social institutions that affect relationships of dependency, exclusion, and exploitation within and between social groups. These then fundamentally affect the operation of markets, property rights, politics and the processes of and gains from accumulation, differentiation, specialization, commercialization, diversification and trade. These in turn affect subsequent structural transformations. The means by and extent to which alternative political and social institutions can be promoted, and their effects on different aspects of structural transformation and hence on livelihood transformations, are important issues of divergence from neo-liberal perspectives.

The final component of the conceptualisation set out in figure 1 is *technical and institutional innovation*. As with our consideration of structural transformations, this interacts with capitals/assets, livelihood transformations, and the various processes of change connecting them.

Neo-liberal perspectives on development, dominated by neo-classical economics, have traditionally placed most emphasis on technical innovation as a key component of development, and this has been complemented by more recent emphasis on institutional innovation as part of the governance agenda supporting democratic and market liberalisation. Given their different views on structural transformation discussed above, alternative perspectives tend to question aspects of this agenda and place more emphasis on the political economy processes by which innovations emerge and institutions evolve. Institutional economics perspectives also recognise these political economy processes, together with the need for alternative institutional innovations which may be needed to promote effective coordination and exchange in situations where market development faces efficiency or equity problems.

4 Promoting development dialogue

The conceptualisation of development as hanging in, stepping up and stepping out was proposed earlier as a framework that could be used to promote dialogue between and integration of neo-liberal and 'alternative development' paradigms. We now discuss the strengths of the conceptualisation and possible limitations in its application to this purpose.

The fundamental qualities needed for this are first that it should represent a valid model of development (of both successes and failures); second that it build on areas of agreement between the different paradigms (as a context for seeking understanding of areas of disagreement); and third that it is clear and accessible and opens up space for discussion.

Important determinants of its validity as a model of development are that its scope (as regards the range of variables and range of values in those variables) should match the range of situations and questions to which it will be applied, and that over this range it should broadly correspond with reality and have theoretical and logical consistency. The conceptualisation performs well on these criteria. Earlier explanation of the framework has stressed that it is explicitly dynamic and cross-

sectoral, it encourages a wider perspective of poverty than narrow definitions based on income or consumption measures, it stresses the importance of security/ growth trade-offs, it recognises both diversity between different livelihood transformations and diversification within those transformations, it incorporates a range of 'development' processes (accumulation, differentiation, specialisation, diversification, commercialisation and trade) and structural changes (economic, political, institutional, social), it is applicable at multiple scales of analysis and promotes analysis of interactions within and between these scales, and it is multi disciplinary.

As regards the framework's fit with reality, there is a strong historical and empirical foundation for the framework. Economic and social history show a continual and changing interplay between hanging in, stepping up and stepping out processes and outcomes in the livelihoods of different people, communities and national economies. Economic growth has involved waves of stepping up and stepping out, with different people and areas building up and branching out in different ways, with diversification and specialisation in response to changing opportunities and threats[9]. These transformations can also be related to social, institutional and demographic change at different scales of analysis. At the same time a long standing and recently resurgent literature on poverty traps (for example Chambers (1983) and Carter and Barrett (2005)) related to the processes by which fall into and escape from poverty (see for example Krishna (2004) and Kristjanson et al (2004)), demonstrates the importance of 'hanging in' to poor people and the tensions between that and 'stepping up' and 'stepping out'.

The earlier description of the framework also demonstrated theoretical and logical consistency, and through this the framework provides both areas of agreement and space for dialogue around areas of disagreement between different perspectives. Agreed theoretical foundations include the micro-foundations of the framework (albeit approached from different angles), development involving both decreasing livelihood vulnerability and increasing livelihood productivity, and links between development and changing livelihood activities. The different development perspectives also

recognise roles for different types of capital; accumulation, differentiation, diversity, specialisation, commercialisation and trade as key processes of change; trade-offs between security and growth; multi-scale processes and linkages; structural change; and critical interplay of these processes with technical and institutional innovation and with political economy.

These areas of agreement open up space for disagreement. As discussed earlier, these focus on differences in emphasis on different processes, outcomes and interactions, and different explicit or implicit normative values placed on these. The framework is explicitly 'bottom up', in that it starts from the aspirations of poor people and from their strategies and successes and failures. This recognises that poor people aspire to and work towards livelihood shifts for themselves and – often more importantly - for their children. This is easy to forget when working with people to improve their current livelihoods. However it also places these aspirations and transformations in the context of wider processes of change, which often over-ride local decisions and planning. The important tensions raised by this are at the core of the framework.

Finally, we note a number of features of the framework that both make it clear and accessible as a model of development and open up space for dialogue.

First, it is simple. Although figure 1 may seem to be a complex diagram, the foundational concept of development as hanging in, stepping up and stepping out at different scales of aggregation is simple. The elaboration of that in figure 1 shows that it is not simplistic. Other attributes of the framework sit alongside its basic simplicity: it is flexible and easily transferable across different scales of analysis, disciplines, dimensions and sectors. It accommodates diversity and is inclusive, encouraging engagement by people from different perspectives.

Second, and supporting this engagement, there is a strong experiential foundation in approaching development this way: 'hanging in', 'stepping up' and 'stepping out' are rooted in everyday

experience of aspirations, outcomes and processes in the lives of most of us. The framework thus resonates with and can be readily taken up by widely differing people in widely differing contexts

Third, the terminology shares an important feature with the words 'development' and 'growth', in that they can all be used to describe processes, outcomes, and/or aspirations[10]. This poses problems for the word 'development' which has a huge range of meanings, is highly value laden, and is very opaque when used in any of these ways. Similarly although 'growth' as an outcome is easier to define (notwithstanding the debates about the meaning of 'pro-poor growth') it is still a highly complex and ill defined process and, as discussed earlier, a heavily contested aspiration. 'Hanging in', 'stepping up' and 'stepping out', however, are much more concrete terms, and rooted in experience as noted above. This is not to say that these processes are not complex, or that welfare outcomes and hence aspirations associated with, for example, stepping out, are not highly context specific and variable, but that they are much less ambiguous and hence less prone to perpetuate miscommunication and misunderstandings.

Fourth, the diversity of origins for this approach (in microeconomics, sustainable livelihoods, new institutional economics, and, less directly, political economy, and economic geography) also allows people from a wider range of disciplines to feel comfortable in engaging debate.

Finally, the potential for practical use of the framework in analysis and communication draws people into dialogue. Applications to date have included development of indicators and methods for assessing the contribution of small livestock keeping to the livelihoods of poor people (Dorward *et al.*, 2005), development of methodologies for assessing the impact of agricultural research and other interventions on poverty in rural areas (Paz *et al.*, 2006); and conceptualisation of development policies and priorities for less favoured areas (Dorward, 2007), of social protection policies and interventions (Dorward et al, 2006), of making markets work for the poor (Dorward and Poole, 2003), and of sequencing rural and agricultural development investments (Dorward, 2006b).

Analysis of hanging in, stepping up and stepping out transformations is also relevant to health, education and other service policy analysis and design, to analysis and development of organisational strategies, and to national or sub-national analysis of economic, input subsidy, food security, trade and other policies (Kydd, pers. comm.).

The potential of the framework in promoting development dialogue as argued above can be tested by applying it to the agricultural debates between neo-liberal and civil society views of agricultural development described earlier at the June 2007 Second European Forum on Sustainable Rural Development in Berlin. The nature of the dialogue proposed above precludes statements here regarding outcomes of such use of the framework, but we can consider how the framework might facilitate dialogue by its recognition of the strengths and weaknesses and major elements of the different paradigms discussed in this paper. The basic feature of this facilitated dialogue would be discussion around each of the main elements of the framework in order to identify the strengths and weaknesses, or blind spots, of each paradigm.

This discussion might start with a consideration of the hanging in, stepping up and stepping out strategies at the core of the framework, with fundamental questions about the validity of these as historical and current aspirations in rural societies; about empirical evidence of the achievement (and lack of achievement) of these; about the processes, drivers and impediments of different changes; and about their impacts on different types of people - rural, urban and transitioning. This would then lead on to a variety of possible discussions, needing sensitive sequencing and facilitation, regarding the multi-level processes of structural transformation, of technical and institutional innovation, and of change in capitals or assets in farm and non-farm activities. Such discussion would need to consider changing consumer and producer interests, together with the sustainability of different processes in terms of their impacts on different kinds of capital needed at different scales of aggregation. Questions about 'livelihood' strategies and trajectories at different scales of analysis (with associated changes in capitals and processes of innovation and structural

transformation) are also highly pertinent to, and a good way of framing, debates about both globalisation and sustainability. The WDR analysis of 'three worlds' would benefit from such scrutiny, as would debates about industrialisation and intensification of agriculture, local versus global processes of market development, diversification and specialisation, conceptions of trajectories of change in rural and urban areas and relations, and challenges posed by climate change.

With good facilitation and an openness to dialogue, such discussion should draw out the weaknesses in different paradigms, and their need to recognise these and draw on strengths and insights from other paradigms. Facilitated dialogue will not, of course, overcome entrenched positions pursuing narrow self interest (but it can help to expose these), nor will it overcome differences arising from fundamentally different value systems (for example anthropocentric versus ecocentric views of the environment), although it may help in identifying common interests.

5 Conclusions

Starting from a consideration of the nature of agreements and disagreements in development analysis and policy, this paper has put forward a conceptualisation of development as hanging in, stepping up and stepping out. Applying this at different scales of economic and social organisation and taking account of diversity within and between these allows the construction of a simple but also sophisticated framework that can provide space for dialogue and re-examination of apparently opposing perspectives.

The establishment of such dialogue and the resolution of intellectual and analytical disagreements about development policy are important, but they do not directly address the subtext of Kanbur's paper, that behind the 'debate' are vested interests seeking to use neo-liberal arguments to control the policy agenda to protect national interests – an argument powerfully made by Wade, 2001. Greater dialogue and clarity of these issues should, however, make vested interests more transparent,

and this, together with an undermining of more obviously untenable arguments on either side of the debate, should weaken their position and strengthen the hands of more genuine seekers of development.

References

Adelman, I. and C. T. Morris (1997). "Editorial: Development History and its Implications for Development Theory." *World Development* **25**(6): 831 - 840.

Boserup, E. (1965). *Conditions of Agricultural growth*. Chicago, Aldine.

Bryceson, D. (2000). "Rural Africa at the Crossroads: Livelihood Practices and Policies." *Natural Resources Perspectives*(52).

Carney, D. (2002). *Sustainable livelihoods approaches: progress and possibilities for change*. London, Department for International Development.

Carter, M.R. and C.B. Barrett (2006) *The economics of poverty traps and persistent poverty: an asset-based approach.* Journal of Development Studies. **42**(2): p. 178 — 199.

Chambers, R. (1983) *Rural Development: Putting the Last First*. Longmans.

Conway, G. and R. Chambers (1992). *Sustainable rural livelihoods: practical concepts for the 21st century*. Discussion Paper. Brighton, Institute of Development Studies.

Dorward, A. R. (2006a). *Institutional and technological strategies for raising small farmer productivity and welfare under changing market conditions: priorities for interdisciplinary research.* Association of Danish Researchers Annual Meeting, "Breaking New Ground? Development Research 2005-2015", 10-11 May, 2006, Copenhagen, Denmark.

Dorward, A. R. (2006b). *Sequencing of Investments for Agricultural Growth, Poverty Reduction and Food Security*. Presentation, FAO, Rome, October 2006.

Dorward, A. R. (2007). Livelihood strategies, policies and sustainable poverty reduction in less favored areas: a dynamic perspective in R. Rueben, A. Kuyvenhoven and J. Pender (ed) *Sustainable Poverty Reduction in Less-Favored Areas.* Wallingford, CABI.

Dorward, A. R., S. Anderson, Y. Nava, J. Pattison, R. Paz, J. Rushton and E. Sanchez Vera (2005). *A guide to indicators & methods for assessing the contribution of livestock keeping to livelihoods of the poor*. London, Department of Agricultural Sciences, Imperial College London.

Dorward, A. R., S. Anderson, Y. Nava, J. Pattison, R. Paz, J. Rushton and E. Sanchez Vera (in press). "Hanging In, Stepping up and Stepping Out : Livelihood Aspirations and Strategies of the Poor." *Development in Practice*.

Dorward, A. R., J. G. Kydd, J. A. Morrison and I. Urey (2004). "A Policy Agenda for Pro-Poor Agricultural Growth." *World Development* **32**(1): 73-89.

Dorward, A. R. and N. D. Poole (2003). Markets, Risks, Assets and Opportunities: the links between the functioning of markets and the livelihoods of the poor in (ed) *Making Markets Work Better for the Poor: Inception Workshop Proceedings*. Hanoi, Asian Development Bank.

Dorward, A.R., R. Sabates Wheeler, R. I. MacAuslan, C. Penrose Buckley, E. Chirwa and J. Kydd (2006) *Promoting Agriculture for Social Protection or Social Protection for Agriculture: Policy and Research Issues*, paper presented at *Future Agricultures Consortium Workshop, Brighton, March 2006.*

Gaur, S. (1997). "Adelman and Morris Factor Analysis of Developing Countries." *Journal of Policy Modeling* **19**(4): 407-415.

IAASTD (2008) *International Assessment of Agricultural Knowledge, Science and Technology for Development (IAASTD): Executive Summary of the Synthesis Report*.

Kanbur, R. (2001). "Economic policy, distribution and poverty: the nature of disagreements." *World Development* **29**(6): 1083-1094.

Khan, M. H. (2004). *State Failure in Developing Countries and Strategies of Institutional Reform*. Towards Pro-Poor Policies: Aid Institutions and Globalization. World Bank's Annual Bank Conference on Development Economics., Oxford University Press and World Bank.

Krishna, A. (2004) *Escaping poverty and becoming poor: who gains, who loses, and why?* World Development,. **32**(1): p. 121-136.

Kristjanson , P., A. Krishna, M. Radeny and W. Nindo (2004) *Pathways out of poverty in Western Kenya and the role of livestock, Working paper 14*, FAO/ Pro-poor livestock policy initiative.

North, D.C., J. Wallis, and B. Weingast (2008) *Violence and Social Orders: A Conceptual Framework for Interpreting Recorded Human History*, in *Governance, Growth, and Development Decision-making*, World Bank: Washington D.C. p. 9-16.

Paz, R., A. R. Dorward and B. Douthwaite (2006). *Methodological guide to pro-poor impact assessment foragricutural and technical innovation projects.* Wye, Centre for Environmental Policy, Imperial College London.

Porter, D. and D. Craig (2004). "The third way and the third world: poverty reduction and social inclusion in the rise of 'inclusive' liberalism." *Review of International Political Economy* **11**(2): 387-423.

Room, G. (2000). Trajectories of social exclusion: the wider context. in D. Gordon and P. Townsend (ed) *Breadline Europe: the measurement of poverty*, The Policy Press.

Sachs, J. (2007). *Survival in the Anthropocene*. Bursting at the seams, 2007 Reith Lecture. UK, BBC Radio 4.

Sen, A. (1999). *Development as Freedom*. Oxford & New York, Oxford University Press & Alfred A. Knopf Inc.

Wade, R. H. (2001). "Making the world development report 2000: Attacking poverty." *World Development* **29**(8): 1435-1441.

Wood, G. (2003). "Staying secure, staying poor: The "Faustian bargain"." *World Development* **31**(3): 455-471.

World Bank (2007) *World Development Report 2008: Agriculture for Development*. World Bank: Washington D.C.

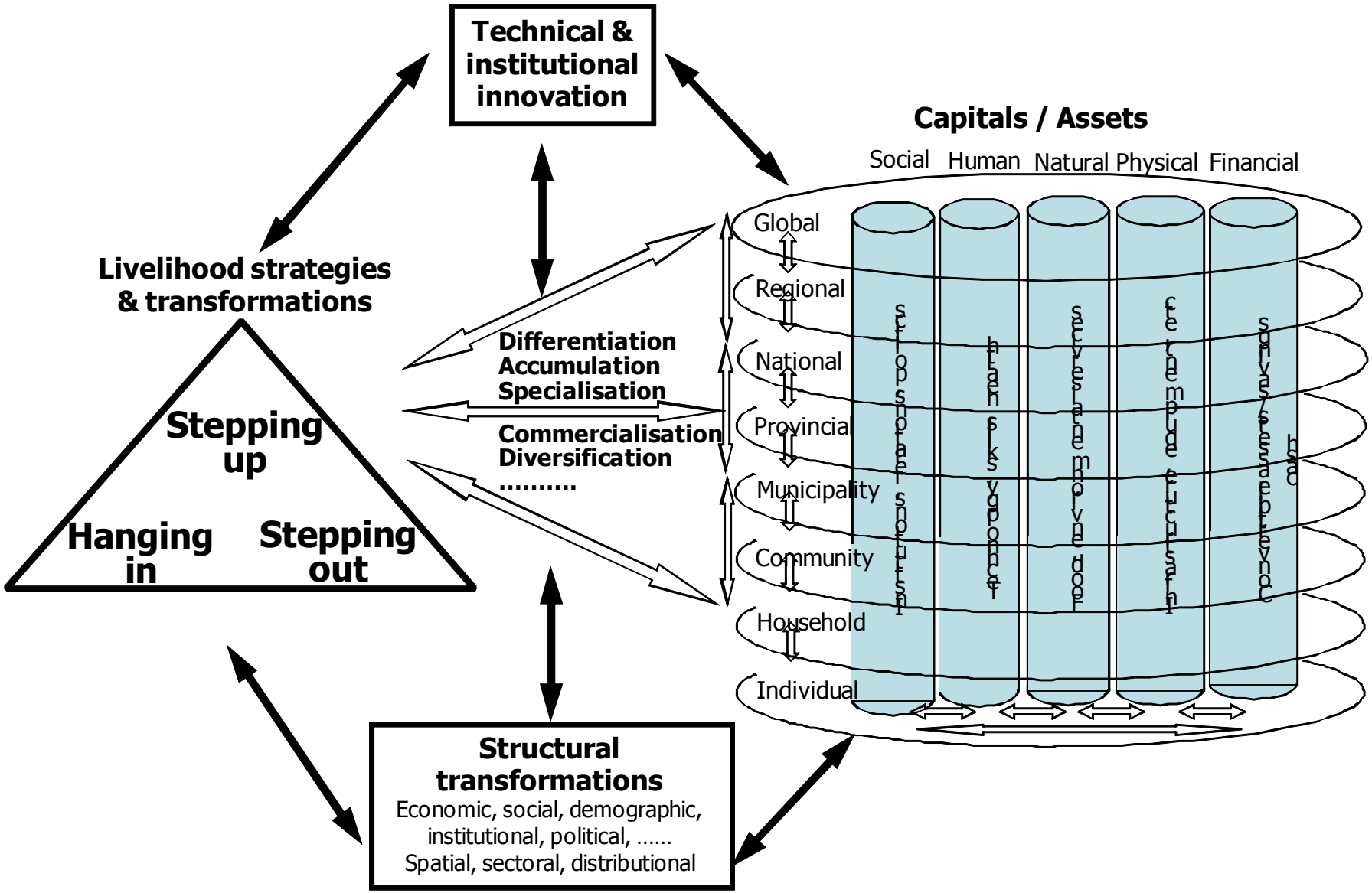

Figure 1. Development as Hanging in, Stepping up and Stepping Out

Notes

[1] As Kanbur that although the characterisation of neo-liberal and alternative perspectives is helpful it should not hide the wide diversity of views within and in between these positions.

[2] See also debates around the IAASTD (2008).

[3] The subsequent surges in global food prices and in fertiliser prices have intensified debates about these issues.

[4] These livelihood strategies have been explained in terms of livelihood aspirations, but very large numbers of people fail in these strategies, and 'falling down and/or out' is all too common.

[5] It is important to note that the nature of governance issues varies with scales of analysis of these livelihoods – relations within households are different from community, national and global relations. However there may also be benefits in looking at parallels across these different scales.

[6] There are also differences as regards recognition and analysis of structural differences between different economies on the one hand and the processes of structural change on the other.

[7] This may be an example of Kanbur's analysis of the Group A tendency to simplify policy messaging even when complications and nuances are accepted intellectually and analytically, but such policy messaging does then affect subsequent intellectual and analytical frameworks.

[8] Khan's analysis is an example of the more nuanced historical analysis called for earlier.

[9] The description of stepping up and stepping out has thus far assumed that these are strategies which take advantage of and are 'pulled' by opportunities. However if there are declining benefits or increasing risks from current portfolios then increasing investments in and reliance on one particular activity or the start of a new activity may also be associated with 'push factors'– in which case apparent 'stepping up' or 'stepping out' responses might more accurately be described in terms of 'hanging in' (see for example Bryceson, 2000).

[10] The terminology of 'development as freedom' (Sen, 1999) does not share this ambiguity, focussing on a deeper level of aspiration and outcome rather than process, although freedom also has instrumental value.